GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3842
ANSWERED ON:21.04.2008
EXEMPTION OF DUTY ON IMPORT OF TEXTILES
Pingle Shri Devidas Anandrao

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government has exempted the duty on import of textiles from Asian countries;

(b) if so, the revenue loss likely to be incurred due to the said decision;

(c) whether the prices of garments are likely to be reduced in the country due to the said import policy;

(d) if so, the details thereof;

(e) whether the trade in textiles is likely to be increased due to said steps; and

(f) if so, the details thereof alongwith the targeted number of garments likely to be imported every year?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) to (f) India is a signatory to the Agreement on South Asian Free Trade Area (SAFTA), which became operational from 1st July 2006. The SAFTA envisages duty reduction by member countries to zero to five percent within ten years and this concession would exclude items in the sensitive list. In pursuance of commitment made during SAFTA negotiations, India would provide zero duty market access for 8 million pieces of garments from Bangladesh, which is to be operationalized through a Memorandum of Understanding (MoU) signed between Government of India and Bangladesh on 16.9.2007. It has also been decided to provide zero duty market access for 3 million pieces of garments from Sri Lanka without any sourcing condition and port restrictions. An MoU has been signed on 5.10.2007 between Government of India and Sri Lanka. The above concessions being small percentage of the domestic consumption, may not affect prices substantially.